

Exhibit B-1

Shoalwater Tribe, Marshals Face Off -- Agents Start To Confiscate Slot Machines

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Anger, resentment and impromptu roadblocks today greeted federal marshals who began confiscating more than 100 slot machines operated by the Shoalwater Bay Tribe at its small casino in Pacific County.

About 200 tribal members and supporters shouted, chanted and beat on drums as moving-company workers hired by federal authorities wheeled handcarts carrying out the machines that a federal judge had ruled violate state law.

Protesters parked cars and trucks across approaches to the small casino at Tokeland on the north edge of Willapa Bay.

"We're just making it harder for them to load their trucks," said George Shipman, assistant manager of the casino.

One demonstrator pushed his sign toward the face of a marshal as two moving vans approached the casino.

As tensions increased, the tribe's attorney, Scott Crowell, urged demonstrators not to physically confront authorities. "This is not the time to fight, we'll fight another day," he said.

Protesters carried signs with messages such as, "My mom needs this job" and "You are witnesses to the murder of a nation."

Gary DiMartino, chief deputy for the U.S. Marshal's Office, said he had been alerted in advance that a protest was likely and was told that tribal officials had urged their members to keep it nonviolent.

DiMartino said he was not told the protest would involve a blockade at the casino.

Authorities were hoping to avoid a dangerous confrontation, said DiMartino, adding that marshals would "assess the situation" to see whether to continue with the seizure today.

Some demonstrators hanged an effigy of U.S. Attorney Kate Pflaumer, who won a federal-court order authorizing seizure of the devices, which are not allowed under Washington law.

Earlier today, leaders of the demonstration specifically encouraged protesters not to assault or spit on marshals.

Job loss expected

Shoalwater Bay Tribal Chairman Herb Whitish said loss of the machines would cost the tribe about 60 jobs at the casino, which employs 88 people.

"The federal government is about to walk off with our future," Whitish said. "It feels like our hearts are being pulled out."

The Shoalwaters have been the only tribe in Western Washington to install slot machines, saying they took the action because the state has been unwilling to negotiate a gambling agreement that is satisfactory to the tribe.

Last week, a federal judge in Seattle authorized federal marshals to seize the machines.

U.S. District Judge Barbara Jacobs Rothstein instructed the tribe to allow marshals access to the casino "to seize the machines immediately."

Federal authorities hoped to remove the machines without a confrontation of the kind that occurred in Arizona in 1992.

In that incident at the Fort McDowell Indian Reservation near Scottsdale, protesters blocked a road and prevented federal authorities from leaving the area after gambling machines were seized.

The standoff lasted five hours.

The Shoalwater Bay Tribe, whose reservation is near the mouth of Willapa Bay, is not the only tribe in Washington operating slot machines. The Spokane and Colville tribes operate about 1,800 slot machines at six locations in Eastern Washington.

Those devices are the subject of a separate legal challenge filed by the U.S. Attorney's Office in Spokane.

Most tribal casinos in Western Washington operate under agreements with the state and do not include slots.

Even at some of those casinos, however, officials say some form of gaming machine is necessary to make the establishments profitable. They have installed devices that look and operate as much like slot machines as Washington law will allow.

State voters have twice turned down ballot proposals that would have allowed tribal casinos to feature slot machines.

Action called 'extortion'

Among demonstrators outside the Shoalwater casino today was Gary Webb, 46, of South Bend, a casino patron who said he has played the machines. "I believe in the casino and what it's doing for the tribe," Webb said, calling the government's position "extortion."

The tribes' authority to conduct casino-style gambling stems from a 1988 federal law giving tribes the right to operate casinos as a means of employing their members and raising revenue for tribal programs.

But the law requires that states negotiate with tribes on any form of gambling within the states.

At the time the law was passed, Washington allowed charitable groups to hold "casino nights" featuring such games as blackjack and roulette. But slot machines were not allowed.

In Washington, as in other states, tribal gaming operations close to major cities have been profitable, while those in more remote locations have suffered.

A casino operated by the Lummi Tribe near Bellingham closed last year, and several others have sharply cut their staff.
